



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
COMMUNITY COURTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**



**REPUBLIC OF NAMIBIA**



**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the Community Courts for the financial year ended 31 March 2021 in terms of Article 127(2) of the Namibian Constitution and Community Courts Act, 2003 (Act 10 of 2003) Section 6 (6). The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, MARCH 2022**

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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## DEFINITIONS

<b>Appropriation account:</b>	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
<b>Appropriation Act:</b>	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
<b>Budget:</b>	An estimation of the revenue and expenses over a specified future period of time specified.
<b>International Standards of Supreme Audit Institutions (ISSAI):</b>	Professional standards and best practice guidelines for public sector auditors, officially authorized and endorsed by the International Organization of Supreme Audit Institutions (INTOSAI).
<b>Financial statements</b>	Written records that convey the business activities and the financial performance of an entity. Financial statements include a balance sheet, income statement and cash flow statement.
<b>Subject matter</b>	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
<b>Types of Audit Opinions:</b>	<p><b>Unqualified Opinion.</b> In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p><b>Qualified Opinion.</b> An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p><b>Disclaimer Opinion.</b> Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.</p> <p><b>Adverse Opinion.</b> The Financial statements of an O/M/A's do not fairly present its actual financial position and the required information was either not disclosed, or (if disclosed) was inadequately disclosed or was inaccurate.</p>

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
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31 MARCH 2021**

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**1. SECTION A: FINANCIAL AUDIT**

**1.1 DISCLAIMER AUDIT OPINION**

I have not audited the financial statement and information which is relevant to the preparation of the financial statements such as records, documentation and other matters of the Community Courts for the financial year ended 31 March 2021.

In my opinion, because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

**1.2. BASIS FOR DISCLAIMER AUDIT OPINION**

I could not conduct an audit on the accounts of the Community Courts. My opinion has been disclaimed due to the following:

**1.2.1 Non-submission of annual financial statements**

According to the Community Courts Act, 2003 (Act No. 10 of 2003), the accounting and related records referred to in subsection (4) shall be examined and audited annually by the Auditor-General, however; the Accounting Officer did not prepare and provide the following for audit purposes:

- Financial statements; and
- Monthly bank reconciliation statements.

It is recommended that the Accounting Officer should annually prepare and submit the statements for audit purposes as required by the Act.

**Management comments**

Although the draft report was sent for comments, the Accounting Officer did not provide any responses.

**1.3 OTHER INFORMATION**

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

## **2. SECTION B: COMPLIANCE AUDIT**

### **2.1 COMPLIANCE TO LAWS AND REGULATIONS**

I could not audit the financial performance and the use of appropriated funds of the Community Courts for the financial year ended 31 March 2021 as no financial statements were provided for audit purposes.

### **2.2 AUDIT OPINION ON THE SUBJECT MATTER**

In my opinion, because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph 1.2.1, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial performance and the use of appropriated funds of the Community Courts for the financial year ended 31 March 2021.

## **3. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Community Courts Act, 2003 (Act 10 of 2003); and legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process. The management is also responsible for ensuring adherence to the Appropriation Act, 2020 (Act 4 of 2020), Appropriation Amendment Act, 2020 (Act 8 of 2020), State Finance Act, 1991 (Act 31 of 1991), Community Courts Act, 2003 (Act 10 of 2003), Regulations of Community Courts, Social Security Act, 1994 (Act 34 of 1994) and Treasury Instructions and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

## **4. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue my report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

My powers and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under section 25(1) (c), Section 26(1) and Section 27(3) of the State Finance Act, 1991 (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is



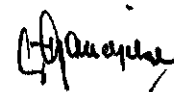
sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2020 (Act 4 of 2020, Appropriation Amendment Act, 2020 (Act 8 of 2020); State Finance Act, 1991 (Act 31 of 1991), Community Courts, Act, 2003 (Act 10 of 2003), Regulations of Community Courts, Social Security Act, 1994 (Act 34 of 1994), Treasury Instructions. I could however not conduct the audit.

## 5. ACKNOWLEDGEMENTS

The assistance and cooperation of the management and staff of the Community Courts during the audit is appreciated.

WINDHOEK, MARCH 2022



JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL

